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## RICE: WORLD MARKETS AND TRADE

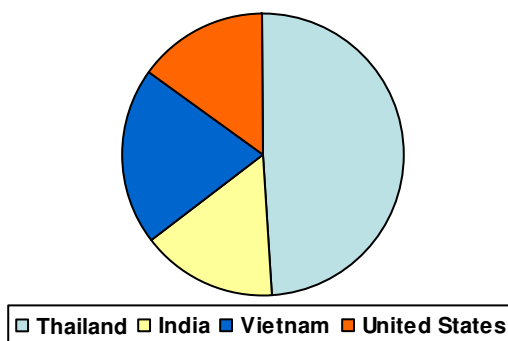
### MONTHLY HIGHLIGHTS:

#### **Radical Change in Export Positions:**

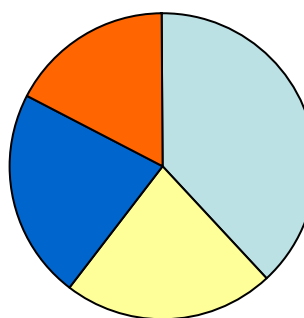
Although Thailand is estimated to maintain its number one exporter slot, its dominance in the global market has shrunk from 2004. With a smaller crop, tighter free stocks, and subsequently higher prices, exports are expected to be down nearly 25 percent in 2005.

Consequently, the usual suspects are picking up the slack. Vietnam has a larger-than-expected crop and very competitive prices. Additionally, despite a government-imposed export ban, sales to select big-ticket markets, such as the Philippines, are still permitted. India, too, has taken a larger slice of the pie, focusing its efforts in the parboiled markets – Saudi Arabia, Nigeria, and South Africa, where it competes virtually one-on-one with Thailand. Meanwhile, as the gap between Thai and U.S. prices shrinks to approximately \$10 per metric ton, FOB, the United States is experiencing great success in the Iraqi market.

2004 Export Competition



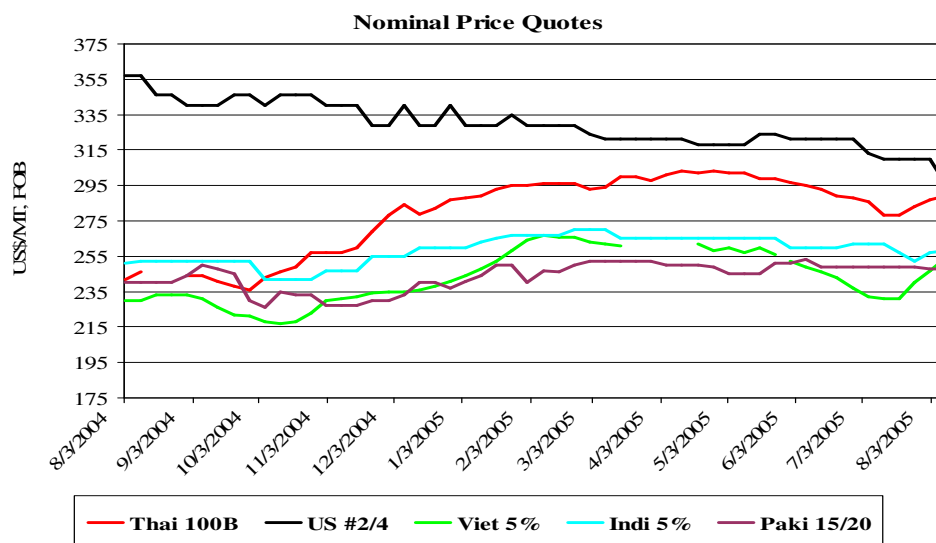
2005 Export Competition



### PRICES:

**International:** After dropping about \$10 per ton from June to July, price quotes for Thai 100B are up \$11 at \$289 per ton, FOB. Meanwhile, Viet 5% has surged \$22 and is currently quoted at \$254 per ton, FOB, almost back to what it was two months ago. India 5% is currently quoted at \$257 per ton, FOB, down \$5 from last month.

**Domestic:** U.S. prices eased over the month, with #2/4 currently quoted at \$296 per ton, FOB. Prices for U.S. #1/4 medium grain milled rice from California are currently quoted at \$350 per ton, FOB, up \$30 from last month.



## **TRADE CHANGES IN 2006**

### **Selected Importers**

- **Bangladesh** is cut 150,000 to 500,000 tons based on increased production.

## **TRADE CHANGES IN 2005**

### **Selected Exporters**

- **India** is boosted 750,000 to 4.5 million tons on a strong pace to date with large shipments to key parboiled markets – Nigeria and South Africa – as well as strong exports of basmati to Saudi Arabia.
- Again this month, **Thailand** is cut 500,000 to 7.75 million tons based on pace.
- With another month of large shipments, **Vietnam** is raised 200,000 to 4.5 million tons. Commitments are reportedly at 4.2 million tons.

### **Selected Importers**

- **Cuba** is up 100,000 to 850,000 tons based on a strong trade relationship with Vietnam and relatively low Viet prices.
- **Nigeria** is increased 100,000 to 1.5 million tons as import demand is spurred by relatively low Indian prices.

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- **Saudi Arabia** is raised 150,000 to 1.25 million tons on a substantial rise in import demand for basmati.